

# Should your practice be going after bigger clients?

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## Should accountancy and finance firms be aiming for bigger clients now that the world has a new way of working?

Traditionally, smaller firms have not pitched for work from large clients, but the past 12 months have changed working practices. From Zoom meetings to the use of the Cloud, intelligent software and virtual document processing, the world of accountancy has changed significantly.

Given our new ways of working, and an emphasis on efficiency and experience, should smaller accountancy practices be looking to attract larger, corporate clients? How might they do this and how can they keep up with changes in the industry?

## A seismic change

With business secretary Kwasi Kwarteng seeking to reform the audit industry, and questions over whether larger accountancy firms always have to be the first choice for big companies, there is an opportunity for smaller firms to pitch for work.

Chris Biggs, partner at Theta Global Advisors, says that his research has shown that confidence in small businesses has grown exponentially over the past year, and that SME accountancy firms have won previously inaccessible large clients over the last year.

“As such, small firms have gained experience with large clients and have proven that the Big Four do not need to be the only choice for large companies seeking audit or other professional services as we move forward,” he says.

“It’s great to see small firms conducting audits and other professional services for companies that previously would have exclusively gone to larger practices,” he said, arguing that this could be the start of an industry-wide shake-up.

He said he noticed the change was starting to happen over the past decade, but it is now accelerating.

“It is clear that clients are starting to buy experience and knowhow, rather than just automatically choosing the bigger firms,” he said.

“Clients need help, and they are looking for people who have the expertise and can actually help them. While the price point is relevant, we tend to find that clients spend the same amount with us as they do with bigger firms. They also tend to expand our remit once we have been working with them for a while because they see how we can add a lot more value. It is about experience, hands-on service, the opportunity to be more agile and get things done more quickly, and not just about the rates being cheaper.”

During his accountancy career he qualified with AAT, then achieved Chartered status, trained in Birmingham with KPMG auditing manufacturing clients and then specialised in their financial sector in London. For two years he worked in Washington DC for the World Bank Group for two years, then moved to PwC in London, before setting up Theta in 2016 as a disruptive alternative to bigger firms. He says feedback has been positive and the approach of a smaller firm, where staff “roll up our sleeves and really offer practical help” builds trust and value.

“There are a lot of former colleagues of mine who have set up their own practice over the past couple of years, either working on their own or setting up a new team. It really feels as though there is a shift and an opportunity for smaller firms. I see that as a growth market going forward,” he says.

## **A question of confidence**

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Chris Biggs believes that SMEs need to build their confidence and look at the unique skills they can offer a client, rather than apologising for being relatively small.

“Think about what you can deliver as a firm. It only takes a one or two successful pieces of work, or one or two wins, to realise that you are operating in at the same level as the large firms and you can provide the same service. Importantly, it’s not just the same service because you can do it with more flexibility and you can be more agile.

“While we are absolutely held to the same money laundering rules, we can get through that process a lot quicker. The onboarding and engagement processes tend to run more smoothly and we can make decisions more quickly.”

He says that firms should not underestimate their ability to provide a good quality service, nor should they oversell themselves.

“Make sure you can deliver and don’t promise to do something you haven’t got the expertise or network to provide. As a smaller firm you are more agile, you’re more hands on, and you can do a lot more things at a lower price point than the big firms. Sell all those as a benefit.”

Working for yourself or for a smaller firm can also create a better work/life balance too, he says.

“We operate in a commercial world and we are growth orientated but we try to do it in a way that hopefully doesn’t burn our staff out.”

## **Service matters**

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Matt Crook, Managing Director at Wolters Kluwer Tax & Accounting UK, says it is the level of service, and not the size of the firm, that counts in the long run.

“If the desire is there, there’s no reason why smaller firms can’t be in a position to provide advisory services to larger, corporate clients while still maintaining high levels of service delivered to their smaller clients,” he says.

“In many cases, the events of the last year have accelerated the digital development of practices of all sizes, and many have become so digitally enabled that they are now infinitely better placed to service the demands of larger client organisations. Many are using workflow and task management tools to define their processes so that they can clearly see what’s going on at a glance, and many too have implemented cloud-based digital dashboard functionality combined with business intelligence tools to gain greater visibility of what’s happening across their businesses.”

Document management is another area that is helping smaller firms to compete with larger players in the advisory space, he says.

“With the help of all of these digital applications, firms have been able to move beyond compliance to offer a full suite of advisory services that larger corporate clients are now able to benefit from.”